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House Engrossed

State of Arizona  
House of Representatives  
Forty-sixth Legislature  
First Regular Session  
2003

# HOUSE BILL 2421

AN ACT

AMENDING SECTION 43-1089.01, ARIZONA REVISED STATUTES; RELATING TO INDIVIDUAL INCOME TAX CREDITS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 43-1089.01, Arizona Revised Statutes, is amended to  
3 read:

4 43-1089.01. Tax credit; definitions

5 A. A credit is allowed against the taxes imposed by this title for the  
6 amount of ~~any fees or~~ VOLUNTARY cash contributions ~~paid~~ MADE by a taxpayer  
7 during the taxable year to a public school located in this state for the  
8 support of extracurricular activities or character education programs of the  
9 public school, but not exceeding:

10 1. Two hundred dollars for a single individual or a head of household.

11 2. Two hundred fifty dollars for a married couple filing a joint  
12 return. A husband and wife who file separate returns for a taxable year in  
13 which they could have filed a joint return may each claim only one-half of  
14 the tax credit that would have been allowed for a joint return.

15 B. The credit allowed by this section is in lieu of any deduction  
16 pursuant to section 170 of the internal revenue code and taken for state tax  
17 purposes.

18 C. If the allowable tax credit exceeds the taxes otherwise due under  
19 this title on the claimant's income, or if there are no taxes due under this  
20 title, the taxpayer may carry the amount of the claim not used to offset the  
21 taxes under this title forward for not more than five consecutive taxable  
22 years' income tax liability.

23 D. THE SITE COUNCIL OF THE PUBLIC SCHOOL THAT RECEIVES CONTRIBUTIONS  
24 THAT ARE NOT DESIGNATED FOR A SPECIFIC PURPOSE SHALL DETERMINE HOW THE  
25 CONTRIBUTIONS ARE USED AT THE SCHOOL SITE.

26 ~~D.~~ E. For THE purposes of this section:

27 1. "Character education programs" means a program as defined in  
28 section 15-719.

29 2. "Extracurricular activities" means school sponsored activities that  
30 require enrolled students to pay a fee in order to participate including fees  
31 for:

32 (a) Band uniforms.

33 (b) Equipment or uniforms for varsity athletic activities.

34 (c) Scientific laboratory materials.

35 (d) IN-STATE OR OUT-OF-STATE TRIPS THAT ARE SOLELY FOR COMPETITIVE  
36 EVENTS. IN-STATE OR OUT-OF-STATE TRIPS DOES NOT INCLUDE ANY SENIOR TRIPS OR  
37 EVENTS THAT ARE RECREATIONAL, AMUSEMENT OR TOURIST ACTIVITIES.